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Limits of International Reform

HARRY MAGDOFF

Is There a Fiscal Crisis of the State?

HUGH MOSLEY

The Meaning of May 1968

GEORGE KATSIAFICAS

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NOTES FROM THE EDITORS

Monthly Review Press has two very important announcements to make this month. The first is that we are launching a new series of books written on a more popular level than most of our list. This series will be called THE LEO HUBERMAN PEOPLE'S LIBRARY, in honor of the great practitioner of the art of popularizing socialist ideas. And the first title in this new series will be the first American paperback edition of the English working-class novel, *The Ragged Trousered Philanthropists,* by Robert Tressell. The title tells much about this great book, for it is about workers who hand over the fruits of their labor to others, and whose contributions, willing or unwilling, make the charitable institutions look like pikers. It was first published in April 1914, in a cut-down, bowdlerized edition. The first uncut version of the original work was published in 1955 by the London firm of Lawrence and Wishart. Monthly Review Press imported some hardcover copies at that time. This paperback edition will be the complete, original book. Its first publisher called *The Ragged Trousered Philanthropists* "damnably subversive." We agree. It is a socialist masterpiece, and that's why we are determined to bring it to the many readers it deserves.

(Continued on inside back cover)

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THE MEANING OF MAY 1968

BY GEORGE KATSIAFICAS

> The men in power had their universities
> The students took them.
> The men in power had their factories
> The workers took them.
> The men in power had their radios
> The journalists took them.
> The men in power only have their power now
> We shall take it.
>
> —Poster, Beaux-Arts, May 1968

Even though the first seven lines of this poster were true, the grand finale failed to materialize. Of course, a one- or two-month long revolution is not possible. But revolution should not be viewed simply as a mechanistic problem of seizing state power or as some other technical transformation of the structures of society. Rather, revolution is a process through which large numbers of people qualitatively transform the values, norms, and institutions of society—not simply overthrowing the

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old rulers and replacing them, but creating new kinds of social realities and human beings.

A revolutionary situation is one which opens the possibilities for the transformation of the totality of social reality. A revolt, on the other hand, merely demonstrates discontent with the present state of affairs. When people revolt, they rise up against those perceived to cause a common problem, not to take control of their own destinies. A revolt culminates in the negation of the previous rulers, values, or institutions, but not in the affirmation of new modes of life. As Sartre says:

> The revolutionary wants to change the world; he transcends it and moves toward the future, toward an order of values which he himself invents. The rebel is careful to preserve the abuses from which he suffers so that he can go on rebelling against them. . . . He does not want to destroy or transcend the existing order; he simply wants to rise against it.[1]*

The May insurgents did not act with a model for a new society already developed. The spontaneous escalation of the student struggle necessitated the improvisation of strategy and tactics and brought new forms of social organization into existence. A vision for the future where nations, hierarchies of domination, boredom, toil, and human fragmentation no longer would exist came to light during May and June. A brief investigation of some of the aspects of this vision will be undertaken to demonstrate its qualitative difference from the France of 1968.

Patriotism and Internationalism

The vision which was fought for in May knew no national boundaries. "To hell with borders" expressed a popular feeling. Through leaflets and posters ("Frontiers = Repression") a systematic campaign against petty nationalism was conducted.

For a long time, French students have acted in solidarity with movements for national liberation. Immediately prior to May, in February, hundreds of activists from France went to an international conference in Berlin to help organize pan-

* Notes will be found at the end of the article.

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European actions against United States involvement in Vietnam. Independence movements in underdeveloped countries were viewed as a means for indigenous control of economies and peoples long plundered by foreign powers. National liberation for oppressed nations was the other side of socialist internationalism in the industrialized countries.

Students from many parts of the world who were studying in France participated in the May events. As the student revolt intensified, foreign students' residence halls in Paris were occupied by their more radical members. Democratic reorganization of the residences and support of liberation movements at home and in France were called for. Of course there were exceptions, notably the Brazilians who closed their doors during May. A Tri-Continental Committee was established in Paris which proclaimed that "to contest capitalist structures within a national framework is also to contest the international relations set up by these structures."[2]

Bilingual posters urged such seemingly antagonistic groups as Arabs and Jews to "turn against your common enemy: imperialism and capitalism." One of the more significant episodes of May concerned a demonstration in support of Daniel Cohn-Bendit, the German-born Jew who was not allowed back into France after he and the March 22 Movement helped spark the explosion. As the support demonstration unfolded, 50,000 people including a prominent contingent of Arabs chanted, "We are all German Jews."

Foreign workers in France, traditionally considered a threat to the jobs of French workers, were received as comrades during May. (Immigrants from nearby countries had to find work in French industry, even though they were rarely hired except for the worst jobs at the lowest pay. For the most part unable to speak French, these workers were often used by management to break strikes, or in periods of relative calm, to disrupt communication and organization among the workers at the point of production. Working at the grueling pace of an assembly line provided little time or space for discussion, especially if there was a Yugoslav on your left and a Portuguese on your right. Moreover, foreign workers in France generally lived in

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company-owned houses where they were purposely assigned roommates who spoke a different language.)

The general strike temporarily ended these divisions. Bilingual worker-student action committees canvassed the housing projects where foreign workers lived, with much success. Not only was management unable to mobilize strike-breakers, but the vast majority of foreign workers joined the general strike.

In early June, the general assembly of worker-student action-committees (ACs) passed a resolution "For Abolition of the Status of Foreigner in France." Invoking the example of the Paris Commune, where a Hungarian was the minister of labor and a Polish worker the military chief, the resolution went on to call for an end to residence cards, work cards, and deportations:

> These foreigners come under an oppressive special statute which subjects them to almost permanent special police checks and threats, which we, Frenchmen, avoid simply because of our nationality. This concept of "nationality" is profoundly reactionary. People work, are exploited, dream, and fight for their freedom in a specific geographic and social context; there they have every right.[3]

In contrast to the internationalism of the insurgents, the government sealed off its borders to the many young people from Germany and Italy who attempted to get to Paris. Deportations were used to rid France of foreign activists. In response, an Action Committee for the Abolition of Borders was formed in Paris and urged Europeans to spread the revolution throughout the continent.

Traditional French ethnocentrism was swept aside by unleashed imaginations during May. The Gaullist counteroffensive in June, of course, played heavily on the myth of foreigners who had caused the disruptions and riots. What may surprise some was the nationalism of the French Communist Party (PCF), an organization originally committed to proletarian internationalism. On June 10, Waldeck-Rochet, the Party's secretary-general, publicly said:

> We Communists have always fought and shall continue to fight remorselessly the lack of national feeling that certain anar-

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chist elements vaunt as a sign of their revolutionary ardor. We, for our part, are proud to have restored to the working class what Aragon so nobly called *the colors of France.*[4]

The nation-state as a rational form for social organization was questioned during May, but national sovereignty had already been undermined long before 1968 by the growth of capitalism. Modern multinational corporations, which today account for nearly one third of the world's production, are capitalist forms of global organization which transcend national boundaries. Is it so surprising that a socialist vision for the future includes a world without borders?

Authoritarianism and Self-Management

With the rise of large-scale modern industry and the fragmentation of production, managers of all varieties had become a necessary part of the productive apparatus. Are they really? The May events indicate not. Many factory occupations exposed management as a necessary part of a profit-oriented economy, but also as superfluous, if not destructive, members of a human-oriented system.

In the first days of the general strike, many managers found themselves prisoners in their offices at the mercy of the occupying workers. The first two factories to be taken over, Sud-Aviation in Nantes and Renault at Cléon, were the scenes of workers detaining managers. This caused an uproar in the government as well as in the largest trade-union in France, the PCF-dominated General Workers Confederation (CGT). Georges Séguy, secretary-general of the CGT, broadcast an appeal to the workers in Nantes to release the management team, and even sent a delegation by plane to intervene. Alarmed by the workers' drastic action, the CGT issued a public statement praising the "responsibility" of their membership and guaranteeing safety for management and the means of production.[5]

It should be noted that during the same period some managers expressed sympathy for the aims of the strikers, a few even contributing money to the movement. At Orly Airport, for example, the Air France staff donated 10,000 francs at the start of the strike, and the vast majority of management helped

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the strike committee in negotiations and upkeep of the 90-odd planes grounded during the strike.

In general, however, workers' actions against management revealed a fundamental aspiration of the general strike: *autogestion,* or self-management. The main thrust of the vision of self-management was to abolish hierarchical authority, but this kind of authority was only one of many permeating France. As the scientific innovations in methods of production progressed, so did the need for experts with technical qualifications to develop and implement them. Knowledge became even more a means for power over others. The self-managed institutions of 1968 aimed to socialize such specialized knowledge.

Because participation in the general strike included large numbers of professionals, technicians, and off-line office and service personnel (hereafter referred to as "new workers"), the united working class was able to synthesize what had been a fragmented and partial view of production. Compartmentalization of knowledge and the concomitant need for privileged experts and managers were refuted not only in desire, but in many cases in reality.

In some factories, the workers continued production without the "help" of management. Gas and electricity workers, for example, insured regular supplies for the population as a whole. At the electricity plant in Cheviré, workers refused to readmit managers to the plant despite an offered increase in monthly wages averaging 150 francs. As one of the workers put it: "The managing staff has been away for two weeks, and everything is going fine. We can carry on production without them."[6] At the Atomic Energy Center in Saclay, the Central Action Committee, the organ of dual power, organized production to such an extent that when gasoline was running low in the area, 30,000 liters were delivered with the compliments of the Finac strikers in Nanterre.

In Vitry at the Rhône-Poulenc factories, the workers established direct exchange with the nearby farmers and made contact with various chemical works in Western Europe, hoping to develop similar relationships.

These examples indicate a profound aspiration of French workers for control over their jobs and lives, not simply for

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more things in exchange for obedience to superiors. The absence of specific demands for the first ten days of the workers' occupation at the Atlantic shipyards in St. Nazaire, even though under pressure from their union, is a spectacular demonstration of the workers' disdain for management, whether capitalist or "Communist." As the advances of capitalism in the days of Marx relegated the capitalist to an unnecessary component of the productive process, so it seems that monopoly capitalism has carried managers to the abyss of irrelevancy.

It is difficult to overestimate the anti-bureaucratic thrust of the May insurgents. The pomp of officials, Communist or not, was everywhere held up to public ridicule. Rules, an essential ingredient of rational-legal forms of authority, were flaunted according to the slogan: "It is forbidden to forbid." Economic and bureaucratic domination were simultaneously challenged: "Humankind will not be free until the last capitalist has been hanged by the entrails of the last bureaucrat."

In word and deed, May marked the merging of the social movement for economic liberation with a vast cultural revolt. Romanticism, looking to the non-fragmented life of the past, was combined with a modern awareness of the possibilities opened by space-age production. Science was not totally rejected, yet material progress was made secondary to human needs.

It was the fusion of cultural revolt with a vast social movement which gave the May events a *new* character within the long tradition of socialist insurrections. At one point, De Gaulle said that the situation was *insaisissable,* impossible to grasp or control. The universities and workplaces were not held by armed force but through the massive participation of their members. When the occupied buildings were retaken by the government, there was considerable bloodshed, but not of the scope of the aftermath of the Commune. In this sense, the fusion of the human forces of production and culture in May presented a new method and new goals for the transformation of capitalism. The imagination of May opened the possibilities for the construction of a qualitatively new future, one where not only the material needs but also the cultural needs of human beings will be of prime concern.

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The concept of self-management did not originate in the workplaces during May, but in the universities. However, it quickly became a general aspiration of the May explosion, a spontaneously created form for revolutionary power. The Student Soviet at the Sorbonne developed a comprehensive plan for restructuring the goals and methods of the university system. The occupied Sorbonne was managed by a general assembly which had final decision-making power. Medical services, food, space allocations, and all the other functions within the liberated Sorbonne were taken care of by the occupiers.

In Nantes, food and gasoline distribution, traffic control, and other activities in the life of the city were conducted by a democratically elected Central Strike Committee. It seems that this committee even developed its own currency.[7]

The occupied high schools, universities, offices, and cities which succeeded in establishing direct control were the concrete realizations of a new vision for society which existed among nearly all sectors of the population of France. An eloquent articulation of this vision came on May 28 from a student-worker action committee:

> Self-management as an economic and social system has as its goal fully to achieve free participation in production and consumption through individual and collective responsibility. This is therefore a system created above all for human beings, to serve them and not to oppress them.
>
> Practically, for working-class comrades, self-management consists in having their factories . . . doing away with the hierarchies of salaries as well as the idea of employees and employers . . . setting up workers' councils elected by themselves to carry out the decisions of everyone together. These councils should be in close relationship with the councils of other companies on regional, national, and international levels. The members of these workers' councils are elected for a determinate period and tasks are to be rotated. We must in fact avoid the re-creation of a bureaucracy which would tend to set up a leadership and thus re-create a repressive power.
>
> We must show that worker-management in business is the power to do better for everybody what the capitalists were scandalously doing for a few.[8]

As a universal aspiration of the May explosion, self-management affected not only the occupied institutions, but also, as mentioned, the unions which controlled large parts of the work-

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ing class. Many of the younger workers struggled against the CGT from within, and others left that structure entirely. In the Wonder Batteries factory at Saint-Ouen, the workers elected their own strike committee and refused to let CGT officials inside the occupied plant. (The vast majority of the takeovers, however, were controlled by the CGT, which went no further than encouraging occupations, but not dual power.)

In contrast to the ultra-centralization and authoritarianism of France, self-management provided a realistic alternative based on autonomy and direct participation. In contrast to the passivity of the consumer society, self-management demanded active involvement. In contrast to the compartmentalization of knowledge, self-management required collectivity and pooling of individual skills. In short, self-management implied a social reality qualitatively different from that of monopoly capitalism.

Some Implications of May

> Proletarian revolutions, like those of the nineteenth century, criticize themselves constantly, interrupt themselves continually in their own course, come back to the apparently accomplished in order to begin it afresh, deride with unmerciful thoroughness the inadequacies, weaknesses, and paltriness of their first attempts . . . until a situation has been created which makes all turning back impossible, and the conditions themselves cry out:
>
> Hic Rhodus, hic salta!
> Here is the rose, here dance!
>
> —Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*

Between the direct participation of self-management and a new international reality freed from the fetters of borders lay the power of the French state. The inability of the May insurgents to come to terms with national political power has come to be defined as their major shortcoming—the primary explanation for the collapse of the impetus to establish a new society and the quick return to the inertia of the old.

Whether or not the French state could have been overthrown in the heat of the explosion will never be known. That there was no organized force which could have led such an undertaking is also debatable. In the aftermath of 1968 every-

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one became a general capable of offering strategic and tactical alternatives which could have led to revolution (or, as some insisted, to disaster).

Perhaps it was a blessing in disguise that the May movement did not culminate in a seizure of power. The disorganization of the left could have produced a monstrosity weighing heavily on future revolutionary movements, once again disillusioning people about the possibilities of socialism.

But such considerations ignore an important legacy of 1968: the *possibility* of revolution in an industrialized country. In the five decades since the demise of the Second International, the prospect of socialism did not realistically appear until the May explosion. If May succeeded in nothing else, it was not a total loss.

Yet there have been other concrete results. On April 27, 1969, the French electorate by over a million votes said *non* for the first time in a Gaullist referendum, sending the General into permanent retirement. His power and prestige were shattered in May, making it only a question of time before he would fall. Moreover, in the ten years which have passed since 1968, a host of reforms have been inaugurated in France which streamline authority structures and give a semblance of participation to students and workers.

The thrust of most of these reforms has been to provide temporary relief to an incurable patient. Increased government planning of the job market and university curricula has helped reduce the number of college graduates without jobs. University problems are now considered by councils which include students. The entire university system has been reorganized into a "co-governing" one with a more multi-disciplinary focus for each school.

But while the system's rhetoric may include student power, the reality of a student power transcending the borders of the university remains a dream. Student power of the contemporary kind is little more than an attempt to legitimize the administration. Writing in the aftermath of the 1970 student strike in the United States, a sociologist here said:

> Only a vigorous leadership at top levels, operating in contact

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and conjunction with students and faculty, can generate a university opinion out of the flux of diverse views. Student power is a necessary but not sufficient part of that process. Committees can legitimate actions; they can seldom persuade or convert.[9]

Co-management and other reforms institutionalized in the last decade have served the authority of the top. Archaic structures inherited from the days of Napoleon are being altered according to the modern needs of monopoly capitalism, not revolutionized to meet human needs. Such modernization does not call into question the fundamental assumption of the present system—the organization of production and consumption for private profit—but merely attempts to make the system more efficient. These reforms hope to keep protests scattered and ineffective while devising technical solutions for social problems.

Modernization in France has hidden behind the progressive rhetoric of its time, much as the ascendant bourgeoisie temporarily adopted the slogan *liberté, égalité, fraternité* in the aftermath of the struggles of 1848. Accordingly, self-management has been made into co-management, a profitable venture where more initiative from the workers may replace some of the supervisors, thereby lowering the company payroll and helping to reduce the "alienation" of the workers. While co-management may help bring the "little people" closer to the decision-making centers, it does not aim, nor will it serve, to abolish the hierarchy of domination.

A popular conjugation of May indicated a high degree of consciousness about co-management and cooptation:

je participe	(I participate)
tu participes	(you participate)
il participe	(she, he, it . . .)
nous participons	(we . . .)
vous participez	(you . . .)
ils profitent	(they profit)

The internationalism of May also has a use for those who wish to streamline the present system. A top manager of IBM, Jacques Maisonrouge, some of whose children participated in the May events, was heard to mimic them when he said: "Down with borders." After all, the multinational corporations are bodies whose wealth and influence transcend any particular

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country. The global corporation, so he says, increasingly views the world as "one economic unit" and leads to "a need to plan, organize, and manage on a global scale."[10]

But the global vision of the multinational corporations is the internationalism of profit-making and domination, not of an anti-authoritarian socialism. Here, as elsewhere, the modernization thesis rests on two assumptions. First, that what is needed is new people with better ideas running the same kind of society. It fails to conceive of a new type of system, one in which people themselves would govern their lives and institutions. Second, modernists conceive of social problems as technical ones which can be solved through more science and technology. The need for *change* in the human structures of society is neglected. This neglect causes science and technology, originally great forces for the liberation of human beings from material scarcity, to turn into their opposite. Under the modern capitalist system, science and technology increasingly become means for domination, not liberation.

The human aspirations and social forces which converged in the May explosion have not been totally dissolved in the reformist solution. The contradiction between the constantly growing forces of production and their organization for profit grows more pregnant. Modernization, in contrast to socialization, leaves the possibilities for new levels of human life ensnared in an increasingly fragmented social reality. The vision of a self-managed international order remains frustrated.

Whether these frustrations will explode in yet another French-type upheaval remains to be seen. In any case, socialist revolution in France (and elsewhere), practically inconceivable in the decades before 1968, is back on the historical agenda.

Electoral strategies for socialism are gathering momentum in France today. But the chance that the left may one day capture the French state through elections should not excite contemporary enthusiasts of the May insurgents. The PCF's negative response to the self-management and internationalism of 1968 offers more than a clue to the program the Party might implement if in power.

Furthermore, there is a prior question which pre-empts hopes for socialism through the ballot box. Since the Commune

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of 1871, revolutionary socialists have recognized the necessity of smashing the bourgeois state, the impossibility of simply taking hold of that apparatus in its inherited form. Can a qualitatively new society be built as long as the centralized authoritarian state still exists?

In organizing for a "legitimate" role in the present government, the PCF is required to conform to the existing structures. As the editors of MONTHLY REVIEW said in analyzing the role of the PCF during the May events:

> No mass party which is organized to work within the framework of bourgeois institutions can also be revolutionary. If it accepts these institutions and adapts itself to them—even if it thinks it is doing so only provisionally and temporarily—it is bound to acquire vested interests in the existing social order which would not merely be jeopardized but actually wiped out by a genuine revolution.[11]

In contrast to the centralization of power in the state, the weakening of local and institutional authority, the reduction of the individual to a position of unprecedented passivity—all of which accompany the domination of monopoly capitalism—socialism in the industrialized countries presupposes the destruction of the centralized hierarchical state by an activated population. Such destruction is required of those who would construct a qualitatively new society, a socialism which would have little in common with bureaucratic European "socialisms" of today.

Nevertheless, a victory of the left in national elections could open new possibilities. The right wing in France, abetted by the multinational corporations, might stage a *coup d'état*, blocking further attempts to reach socialism through the ballot box and necessitating a clandestine struggle, as in Chile. In all probability, the PCF would still dominate the left, but the necessities of the clandestine struggle might help transform the goal of the PCF from social democracy to socialism.

On the other hand, a left victory might be tolerated as a means—perhaps the least costly politically—to modernize the archaic social relations of France while preserving their capitalistic core. Such a possibility might come to be; and we might witness a popular uprising like that of 1968 directed against a Communist government instead of De Gaulle.

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For revolutionary socialists to hope for a repetition of the May events, however, would be a grave mistake. That such an upheaval may develop is realistic, given the existence of the same social contradictions today as before 1968; but in the absence of organizations prepared to make the most of it, a new explosion would be unable to translate popular aspirations into reality. History might repeat itself, but as Marx used to say, the first time as tragedy, the second as farce.

The elements of the May movement which at first glance appeared as its strengths are also its weaknesses. Spontaneity, a refusal to accept any form of hierarchy or leadership, and initiative solely from the base cannot be permanently maintained in a new social formation except within a framework of political power. The centralized organization of monopoly capital necessitates the organization of the seeds of the new society —the revolutionary party—prior to the destruction of capitalism.

The May insurrection developed outside the traditional parties on the left for good reasons. The bureaucratization of the PCF, understood long before May by many, made that organization incapable of comprehending the totalized impulse for liberation which emerged in May. The inability of the May insurgents to advance the political crisis (except to the extent that the cultural revolt and social movement precipitated it) had its corollary in a rebellion against the PCF. There was no transcendence of obsolete organizations, no development of a political form for the creation of socialism. What Lenin once said in another context could be said about May, that "anarchism was often a sort of punishment for the opportunist sins of the working class movement. The two monstrosities were mutually complementary."[12]

In the aftermath of 1968, many of the insurgents like André Gorz have come to envision the construction of a new kind of party. Besides destroying the traditional state, such a revolutionary party would need to be capable of fusing the partial concerns of the subjects of social transformation—the students, factory workers, new workers, the ecology and women's liberation movements—into a totalized vision of the future. Without the unifying effects of organization, the fragmented consciousness of monopoly capitalism would in time insidiously

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reassert itself in the generation of specialized self-interest issues and concerns.

Analyzed in isolation, each sector of the May movement was incapable of conceptualizing and implementing a new society. The student movement was able to detonate a larger social explosion. Despite the modern-day subservience of academia to the "real world," the limits of the student movement are marked by the confines of its environment. Students embody a particular expression of the general contradiction between capitalist relations of production and the productive forces. In 1968 only their momentary integration into a larger movement, i.e., the abolition of a purely student movement, allowed the student revolt to trigger such a vast upheaval.

By themselves, the new workers tend toward the modernization solution. Educated as much as executives, they tend to look for a better way to do this, a less painful way to implement that. The immense birth pains involved in creating a new society make it easier for the new workers to adopt technical solutions to human problems. Generally speaking, the new workers are relatively better paid than other sections of the working class.

This relative privilege cut the other way in May though, as the new workers, more often than others, stressed qualitative demands and were relatively unconcerned with pay raises. In the climate of the explosion, the majority of these new workers allied themselves with the students and factory workers. Together they constituted a united force which, if it could have been maintained, might have served as a basis to abolish different categories of existence while establishing a new mode of life.

The student revolt would not have become much more than the now usual springtime festivities had it not been for the general strike. In the rejection of the Grenelle agreements* and

* In an attempt to buy off the striking workers, Pompidou organized a weekend of negotiations (May 25-27) with all major trade unions at the Rue de Grenelle in Paris. The proposed settlement called for an increase in the minimum wage of 35 percent (in agriculture 56 percent and for some a 72 percent raise), a shorter work week, lower age of retirement,

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the examples of dual power created during the strike, French factory workers momentarily demonstrated aspirations to transform the entire society. By themselves, however, the factory workers neither initiated nor successfully concluded the general strike. It was only after two weeks of the student revolt and the fighting in Paris that the working class acted. What the students had proposed—a new social formation—the workers were in a social position to implement. Unfortunately, when all was said and done, the working class by itself proved incapable of carrying through its historic task.

Neither the absence of a revolutionary party nor the reformism of the PCF totally accounts for the limitations of the May movement. The questions must be asked: Why did the workers ultimately remain obedient to their unions and return to work? Why did the students obey the commands of CGT officials to leave the factories, as on May 16 when over a thousand students marched from the Sorbonne to the huge Renault plant at Boulogne-Billancourt? The next day an even larger march was not admitted inside the factory by CGT officials. Even when some chemical workers went to the Sorbonne and invited students to their factory occupation, few went and many opposed the idea, using the "revolutionary" argument that "we would be substituting ourselves for the workers."

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more old people's and family allowances, and more union rights. To top it off, the strikers were to be paid half their normal wage for the days of occupation. When Georges Séguy and Benoît Frachon (CGT president) drove directly from the concluded negotiations to the huge Renault plant at Boulogne-Billancourt, their speeches were met with boos and catcalls from the 25,000 assembled workers. Shop stewards from around the country telephoned and telegraphed CGT headquarters turning down the agreements.

At this point, revolution seemed to be the order of the day. De Gaulle left Paris and, according to his own admission, was tempted to resign. There was a power vacuum in France on Monday, May 29. For over six hours, no one knew where to find the president. In retrospect, we all know that the general used his mysterious trip to Baden-Baden, Germany, for plotting his comeback, in close consultation with top French army generals (among others). The release a few weeks later of General Raoul Salan, former head of the paramilitary right-wing OAS, whose actions included an attempted assassination of De Gaulle in 1961, prompted many to wonder not whether some deal was made, but what else was agreed upon.

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Some of the answers to these questions can be found in the social conditions of modern capitalism, a system which has consolidated its hold over half the earth while fragmenting people's needs, desires, and relationships to the whole. As Marcuse said:

> In the domain of corporate capitalism, the two historical factors of transformation, the subjective and objective, do not coincide: they are prevalent in different and even antagonistic groups. The objective factor, i.e., the human base of the process of production which reproduces the established society, exists in the industrial working class, the human source and reservoir of exploitation; the subjective factor, i.e., the political consciousness, exists among the non-conformist young intelligentsia. . . . The two historical factors do coincide in large areas of the Third World. . . .[13]

During May, it was the momentary merging-in-action of the subjective and objective forces of transformation which brought France to the edge of revolution. The June containment necessitated their separation.

But even from the start, the PCF and CGT militantly struggled to isolate the student revolt, calling the students the "children of the big bourgeoisie" in the party's paper, describing their leaders as agents of Gaullism, and keeping the students out of the occupied factories. The student revolt challenged the influence which the PCF and CGT held over the French proletariat, a legacy from the trade-union struggles of the past. Feeling its power threatened, the CGT did its utmost to split the students from the workers. In early May, one of its statements said: "Some petty bourgeois with feverish brains slander the workers' movement and pretend to teach the workers a lesson. The working class rejects these stupidities; it has come of age a long time ago; it needs no tutelage."[14]

"Workerism" was common during May, accepting as it did a fundamental social category of capitalism. To have overcome it, a vision for a new society transcending the fragmented realities of modern monopoly capitalism would have been needed. In such a society, property would be socialized, and the vast majority, not simply a fraction of the population, would view the modern productive forces as their responsibility.

Such a vision could only have been practically conceptualized in the heat of May given the prior existence both of human

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beings who had taken on the responsibility of changing themselves—their needs, aspirations, and ideas—and of a revolutionary mass party which refused to define itself simply in terms of the social divisions brought into existence by capitalism.

The May events came by surprise. Perhaps the privilege of historical hindsight allows mistakes to be made transparent, but it is the future which the legacy of May should serve. It is difficult to assess for the long run the taste of freedom that May was. People will not simply forget the explosion, nor will the social contradictions that were then manifested disappear of their own accord. Mistakes made and victories won through the courage of those who rose up are a guide for the future. In shoving aside a social order and a conditioning aimed to pacify them, the people of France reaffirmed the dignity of human beings, a legacy which they and people all over the world will carry into the next great battles for liberation.

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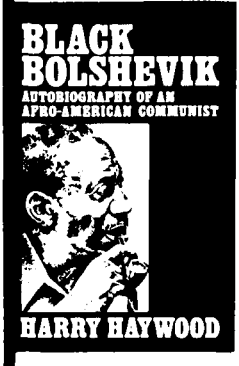

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IS THERE A FISCAL CRISIS OF THE STATE?

By Hugh Mosley

James O'Connor's *Fiscal Crisis of the State** is a widely read and deservedly influential book. The subsequent financial collapse of New York City and huge Federal deficits seemed to confirm its central thesis of the fiscal crisis, "the tendency for government expenditures to outrace revenue." (p. 3) O'Connor's theory of the fiscal crisis is based on an ambitious analysis of the structure of "American state capitalism," which is the heart of the book and which may make it a new American Marxist classic of the 1970s. What is new and original in O'Connor's analysis is his attempt to develop a Marxist analysis which does justice to the qualitatively new role that the state plays in contemporary capitalism. In 1902 all government expenditures in the United States amounted to 7.9 percent of the Gross National Product (GNP); by 1970 government expenditures were more than 34 percent of GNP. In the same time

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* *The Fiscal Crisis of the State*, by James O'Connor. New York: St. Martin's Press, 1973. 276 pp., paper $5.95.

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span Federal government expenditures rose from 2.7 percent to 21 percent of GNP. In many West European nations the government share of GNP is even higher.[1]* The "Fiscal Crisis of the State" as a theme of Marxist analysis is indicative of this new theoretical focus.

In order to analyze the enlarged role of state activity in contemporary capitalism O'Connor sees the need for new conceptual tools and a new approach. Government expenditures "are not determined by the laws of the market" but "by social and economic conflicts between classes and groups." (p. 2) Thus neither bourgeois economics nor traditional Marxism is adequate to this task. He seeks to draw upon and adapt Marxist concepts in order to construct a theoretical framework for an analysis of state expenditures and taxation.

O'Connor's Conception of American State Capitalism and the Fiscal Crisis

In O'Connor's analysis the state is one of the three basic "sectors" of the American economy. He conceives the private economy as split between a "monopoly sector" and a "competitive sector." O'Connor identifies the monopoly sector with the large corporations in manufacturing, mining, and utilities, and the competitive sector largely with services and distribution. Each sector is said to account for roughly one third of the labor force and economic activity.

In O'Connor's view the growth of the state sector and state spending is not at the expense of the private sector, as conservatives argue. Rather it functions increasingly as the basis for the growth of the private, and particularly of the monopoly, sector which in O'Connor's analysis is the "engine of capital accumulation and economic growth." (p. 23) He divides state expenditures into two categories according to the two basic functions of the capitalist state they serve: social capital and social expenses. *Social capital* is indirectly productive state expenditures that promote private capital accumulation either as social investment ("social constant capital"), e.g., state-financed in-

* Notes will be found at the end of the article.

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vestment in transportation, communications, research and development, or as social consumption ("social variable capital"), products and services that lower the reproduction costs of labor and in this way raise the rate of profit, e.g., social insurance programs. *Social expenses* are expenditures for projects and services that serve the legitimizing function of maintaining social harmony (e.g., welfare system); they are not even indirectly productive. The growth of state expenditures thus represents the socialization of the costs of production, making continued private accumulation and economic growth possible. State social capital expenditures are particularly required by the monopoly sector; the state socializes costs of production in the monopoly sector, and the continued growth of this sector requires more and more social capital expenditures by the state. The growth of the monopoly sector is also the source of increased social expenses, because its state-subsidized capital and technologically intensive growth result in surplus capacity, surplus population, and environmental destruction. Thus the more the American state lays out for social capital and social expenses to secure the expanded reproduction of the irrational system of American capitalism, the more it has to spend, while profit continues to be appropriated privately. Worse off than Sisyphus, who was merely condemned to raising the same rock again and again, for the American states the financial burden increases with every effort they expend. This socialization of costs and private appropriation of profits creates a "structural gap" between state revenues and expenditures which is for O'Connor the basic cause of the fiscal crisis. Other factors aggravate this basic tendency of which the cost inflation in the labor-intensive, less efficient state sector and the raiding of the state budget by special interests are the most important. O'Connor thus offers an analysis of the state budget and fiscal crisis in terms of the structural demands placed upon the state by its role in the reproduction of American monopoly capitalism. This is a significant shift of emphasis from the recent Keynesian and American Marxist (e.g., Baran and Sweezy, *Monopoly Capital*) emphasis on the problem of surplus absorption and state maintenance of aggregate demand.

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O'Connor's structural analysis of the state budget and the fiscal crisis is embedded in a political analysis of classes, class factions, and strata in American state capitalism. The most important constellation is the relationship between monopoly capital and organized labor in the monopoly sector. They are the principal beneficiaries of the present pattern of American state capitalism and have, in effect, "exported their conflicts to the competitive and state sectors." (p. 41) O'Connor explains this as follows: In the competitive sector wages, prices, and profits are determined chiefly by market forces; in the monopoly sector production is planned, and wages and prices are administered. Thus competitive-sector increases in productivity are passed on to the general public through the price mechanism; in the monopoly sector the benefits of productivity increases are not passed on to the general public but are bottled up in the sector itself and shared by monopoly-sector capital and labor. Monopoly capital shares its monopoly profits with organized labor in return for a cooperative stabilization of labor relations and acceptance of management control of the labor process in the introduction of labor-displacing technology. Thus surplus value is pumped from the competitive sector into the monopoly sector via the pricing mechanism. This cleavage is further intensified by the relative impact of state taxing and spending. Monopoly-sector capital and labor have supported, and benefit disproportionately from, increased productivity that comes from state capital expenditures; and the monopoly sector is also more able than the competitive sector to shift the tax burden to others. There is thus in O'Connor's view a basic bifurcation of interest within the capitalist class between monopoly and competitive capital, and within the working class between organized labor in the monopoly sector and workers in the competitive sector.

Other contradictions exist between increasingly unionized state workers and taxpayers, especially workers in the private economy. State clients in the surplus population also constitute a distinctive interest group in the social struggles which now take the political form of conflict over the state budget. Strategies to cope with the fiscal crisis by increasing or redis-

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tributing the tax burden or by redirecting state expenditures require new political constellations and are primarily subject to political restraints. The fiscal crisis is thus in O'Connor's analysis ultimately not a crisis of the capitalist state, as he sometimes suggests, but a financial crisis requiring political realignments as a prerequisite to restructuring the state budget.

O'Connor's Sectoral Categories Are Merely Ideal Types

Basic to O'Connor's analysis is the distinction between the monopoly and competitive sectors. The interaction of capital and labor in these sectors with one another and with the state sector constitutes the framework of his general theory of American state capitalism and its fiscal crisis. The nature and soundness of all that follows is thus largely dependent upon the validity of these basic concepts. He characterizes the monopoly sector in terms of the following features: high physical capital-to-labor ratio; high output per worker; growth of production through increased capital outlays and technical progress rather than increased employment; production is large-scale and markets are national or international; wages are relatively high; organized labor is strong; wages and prices are not determined by market forces but administered. The competitive sector displays inverse characteristics. Though such ideal types by their very nature cannot be empirically shown to be false, we can ask whether they correspond sufficiently to structures of the real world to serve as a basis for an elaborate theory such as O'Connor's American state capitalism and its fiscal crisis.

A cursory examination of the American economy shows that these intuitively appealing categories are subject to too many exceptions, qualifications, and gradations in the actual structure of American industry. There is certainly an identifiable group of concentrated industries, particularly in manufacturing (such as steel, automobiles, and electrical equipment), that corresponds to O'Connor's characterization of the monopoly sector and another primarily in distribution and services corresponding to his competitive sector. There are, however, important variations within these two modal types of industries. Within the "monopoly sector" the nature of the demand for products (hence the possibility of passing on increased taxes or

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labor costs) varies; there are also marked differences in capital intensity and in reliance on high technology and technical-scientific labor input and in the strength of organized labor. The interest-group organization and political activity of "monopoly-sector" firms are primarily along industry lines. Such differences as whether the principal firms in an industry are predominantly national or international in their operations, and whether or not they are regulated industries such as railroads and utilities, further divide the "monopoly sector" and shape its political activity. "Competitive-sector" industries, largely a residual category in O'Connor's analysis, are, given the smaller, more locally oriented nature of the bulk of the firms, even more diverse; and as a political and economic interest group they are less well articulated and less organized on industry lines, if at all. There are often very large firms that display the basic features of Baran and Sweezy's "giant corporation"—Sears, A&P, Levi-Strauss, J. P. Stevens, McDonalds, etc.—which in O'Connor's terms belong to the competitive sector.

The Assumption that Monopoly Capital Is the Special Beneficiary of State Social Capital Expenditures Is Dubious

We can assert with more confidence that particular state expenditures benefit a specific locality, industry or group of particular firms, rather than the "monopoly sector" or "competitive sector" as a whole. Highway construction, for example, is the principal governmental expenditure for transportation infrastructure. Who the main beneficiaries are is not easy to say. The road-construction industry; automobile sales, service, and repair; tire, gas, and accessory sales; real estate development—all these beneficiaries are rather highly competitive in O'Connor's terms. The interstate trucking industry, which is only "monopolistic" because of government regulation, benefited greatly at the expense of railroads, whose general decline is caused by the rise of passenger cars and truck transportation.

O'Connor's other principal example is social investment in "human capital," by which he means expenditures for education, and research and development (R&D). But the bulk of expenditures in this area go for primary and secondary education. It would be difficult to argue that the monopoly sector is some-

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how—not clearly defined—a particular beneficiary of these expenditures. Even in the area of higher education the bulk of graduates are in non-technical fields—social sciences and humanities—not the type of technically educated humanpower that is said to be disproportionately utilized by the monopoly sector.[2]

R&D outlays of the federal government would seem to be a better example of state subsidy to the monopoly sector. Federal government expenditures for R&D amounted to over $18 billion in fiscal year 1975. The clearest indication of government socialization of monopoly-sector costs is in the direct federal funding of research conducted by private industry, amounting to $8.2 billion in 1973. Although the significance of such government spending for the American economy is undeniable, it is less clear that O'Connor's distinction between monopoly and competitive sectors is very useful here. Federally financed industrial research is heavily concentrated in government weapons and space research. Of the total of $8.2 billion in government-financed industry research, $6.6 billion or 80 percent goes to two industrial categories—electrical equipment and communications, and aircraft and missiles. The importance of government financing of industry-conducted research varies tremendously within the "monopoly sector," which gives firms very different stakes in such government-sponsored research.[3]

Certainly for the economy as a whole the state plays an increasingly significant role in the reproduction of capital. It is a virtue of O'Connor's analysis to call attention to this. There is certainly a symbiotic relationship and a socialization of costs. But his competitive-vs.-monopoly sector distinction does not seem to be very useful. The categories are vague, and differences within that of the monopoly sector are so great as to make the distinction of little use in analyzing the problems of the interests of various groups in the American economy in state social-investment expenditures.

Shortcomings in the Political Analysis Based on O'Connor's Sectoral Categories

Generally, O'Connor's conception of politics is in terms of class and class factions struggling over the exercise of state

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power (monopoly and competitive capital, monopoly- and competitive-sector workers, the surplus population, state-sector workers and the military-industrial complex, etc). These categories are both too general and too vague, and sometimes lead to crude political statements—for example, O'Connor's notion that the executive branch is controlled by monopoly capital, while the competitive sector dominates Congress. At this point (pp. 55-56, 79-81) he apparently equates competitive capital with small, local capitals. If competitive capital controls Congress, the tilt of American state capitalism toward monopoly capital (as O'Connor describes it, anyway) is not readily understandable. That slum landlords, small retail stores, loan sharks, and small construction companies control the U.S. Congress (p. 56) and do battle on equal terms with the executive branch controlled by monopoly capital is a bit fantastic. We find other similar statements such as: "The large-scale monopoly sector . . . [has] relatively little influence or power in the House or Senate." (p. 224)

A better formulation, which O'Connor sometimes suggests, distinguishes between special interests and a general capital, or class, interest. The structure of American state institutions, especially the Congress and the Presidency, leads to the predominance of special-interest orientations in the Congress, compared to a greater responsiveness to, and capacity to formulate, a general capitalist class interest (at least from the perspective of large-scale capital and its related policy institutions) at the executive level. O'Connor himself describes in great detail the predominance of special interest-oriented politics, with resultant inefficiency and intensification of the fiscal crisis. But his conception of politics in terms of distributional struggles among rival factions leads him to ignore the structural problems of capitalist state institutions in the United States. The traditional political and administrative forms of the American state, appropriate to an earlier and more limited state role, are not adequate for the state's now greatly expanded role. The penetration of state institutions by special-interest politics and the state's consequent incapacity to develop a more rational and efficient public policy reflect a structural incapacity of existing state institutions. There is a chronic problem of achieving the necessary

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"internal synthesis of the state apparatus" for an activist public policy.[4]

In areas such as energy, transportation, health care, labor markets (including education and public welfare programs), or the problems of restructuring American industry to meet intensified foreign competition, the American state is foundering under the strain of new tasks which require not just subsidizing costs of private capital but a heightened capacity for rationalization of these areas through development of overall policy and planning.

O'Connor's Sectoral Analysis with Its Distributional Focus Abandons Marx's Systemic Level of Analysis

The basic structure of O'Connor's analysis rests on his three postulated societal sectors—the state, monopoly, and competitive sectors—and the political and economic transactions that take place among them. This results in his analysis suffering from a basic theoretical weakness. Instead of conceiving the state in terms of transactions between distinct sectors (and the fiscal crisis as merely a deficit in the transactions between the state and the private economy), it is necessary to begin at a more systemic level of analysis. In most general terms the growth of state interventionism, which O'Connor so forcefully describes, represents the historical tendency for the reproduction of capital (and of the social formation as a whole) to take place increasingly through the mediation of state activity. The question, which for O'Connor is central, of the distributional impact of state taxing and spending as between classes and groups (e.g., "monopoly capital" and "competitive capital") is an analytically subordinate question. Prior to it is the question of the social surplus and surplus-value creation in the economy as a whole and the impact on these processes of state taxing and spending activity.

The ambiguity of O'Connor's concept of state "social capital" expenditures clearly illustrates this deficiency in his analysis. Social capital expenditures can be indirectly productive for some individual capitals without necessarily expanding surplus value or increasing the rate of profit for capital as a whole. Indeed

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O'Connor's own descriptive account of "social capital expenditures"—e.g., for transportation—shows that the policies shaped by the highway lobby benefit some individual capitals but are incredibly inefficient from a societal perspective. O'Connor's theoretical analysis does not suffice to explain what for him on a descriptive level is perfectly clear. In his analysis "social capital" becomes merely a category in a typology of state expenditures. All sorts of wasteful expenditures become "social capital" merely because they are the product of state activity and are things which relate either to industrial needs or to the consumption of workers. What begins promisingly as a functional analysis of state expenditures in their relationship to capital accumulation ends up as an eclectic classification of all state expenditures.

The central consideration for an analysis at the level of Marx's concept of surplus value is not whether the given state activity or expenditure provides inputs in the form of goods or services for economic production, thus socializing some production costs in the economy, but whether such state expenditures are effective in the sense of promoting and rationalizing surplus-value production in the economy as a whole.[5]

Is There a Fiscal Crisis of the State?

Is there a fiscal crisis of the American state? It is certainly a time of unusually high federal deficits and of budgetary restraints and cuts at all levels. Large federal deficits are expected to continue into the 1980s. At an ideological level, the "fiscal crisis" has become a unifying slogan for liberal and conservative factions of the American bourgeoisie. The liberal reform wave of the 1960s has collapsed. Now a Democratic administration has made a balanced budget one of its top priority goals. But the question is whether the current difficulties in state finances are a special phenomenon, a structural crisis in the fiscal system of the capitalist state, as O'Connor argues.

It seems to me that O'Connor's argumentation, even if we accept its validity, does not sustain this conclusion. For him the fiscal crisis is essentially a deficit in transactions between the state and the other sectors of his model of the economy. It is a

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structural gap which he attributes to the fact that the state socializes more and more costs of production while profits continue to be appropriated privately. But the capitalist state can and does appropriate profits or surplus value in the form of tax revenues. O'Connor would have to argue that there is a crisis (structural limits) in the basic form in which the capitalist state raises revenues to meet its expenditures. This he does not do. He merely argues that there are political limitations on restructuring or increasing state revenues.

Furthermore, as I have argued, O'Connor's conception of the fiscal crisis in distributional terms as a deficit in state transactions with the private sector neglects the problem of whether the state's "social capital" programs are indeed indirectly productive and lead to a rationalization of surplus-value production in the economy as a whole. If not, the conservatives O'Connor cites are right in thinking that the state sector grows at the expense of private production. In areas such as health care, energy, and transportation, effective state programs would reduce rather than increase the total resources, public and private, expended. Both these points suggest that the so-called fiscal crisis is not a cause but a symptom and that the particular problem of the American state lies in an incapacity of its political and governmental institutions to develop and implement the more comprehensive policies which the expanded role of the state in contemporary capitalism requires.

O'Connor's explanation of the fiscal crisis also fails to consider another basic factor in the deterioration of state finances. The boom years of the 1960s are past, and the American economy, like the world capitalist economy as a whole, has entered a new period characterized by slower growth and a secular decline in the rate of profit. This is evident in data on the growth rate of the American GNP: 1960-1965, 4.7 percent average growth; 1965-1970, 3 percent; 1970-1975, 2.1 percent.[6] Not only are state revenues depressed but high levels of unemployment and increased dependency place new strains on state budgets. The present "fiscal crisis" in this perspective is not the special phenomenon that O'Connor describes but a manifestation of the economic crisis affecting all Western capitalist nations.

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NOTES

1. *Historical Statistics of the United States, Colonial Times to 1970,* vol. 2, pp. 1120-1121. See Ian Gough, "State Expenditures in Advanced Capitalism," *New Left Review* #92 (1975) for an overview and discussion of trends in state expenditures.
2. *Statistical Abstract of the United States, 1975,* "Earned Degrees Conferred," p. 142.
3. *Statistical Abstract,* "Federal Obligations for Research and Development," p. 549; "Funds for the Performance of Industrial Research and Development, by Industry and Source of Funds," p. 550.
4. See Stephen Leibfried, "Die Verwaltung der statistischen Reserve," in *Leviathan: Zeitschrift für Sozialwissenschaft* (1975:4; 1976:1) for a discussion of this problem with respect to new state functions and the inadequacy of traditional U.S. administrative structures. An earlier version of this article, "U.S. Central Government Reform of the Administrative Structure During the Ash Period (1968-71)," appeared in *Kapitalistate* #2 (1973).
5. Klaus Groth has developed an analysis of state finances in which the rationalization of surplus-value production through state activity is a central conception. See Groth, *Staatsfinanzen und Kapital* (Frankfurt aM: Suhrkampf, 1978).
6. *Statistical Abstract of the United States, 1976,* "Rates of Economic Growth, 1910 to 1975," p. 390.

The main thing that socialists fail to understand and that constitutes their short-sightedness in matters of theory, their subservience to bourgeois prejudices and their political betrayal of the proletariat is that in capitalist society, whenever there is any serious aggravation of the class struggle intrinsic to that society, there can be no alternative but the dictatorship of the bourgeoisie or the dictatorship of the proletariat. Dreams of some third way are reactionary petty-bourgeois lamentations. That is borne out by more than a century of development of bourgeois democracy and the working-class movement in all the advanced countries, and notably by the experience of the past five years.

. . . Not a single great revolution has ever taken place or ever can take place, without the "disorganization" of the army. For the army is the most ossified instrument for supporting the old regime, the most hardened bulwark of bourgeois discipline, buttressing up the rule of capital, and preserving and fostering among the working people the servile spirit of submission and subjection to capital. Counter-revolution has never tolerated, and never could tolerate, armed workers side by side with the army. In France, Engels wrote, the workers emerged armed from every revolution: "Therefore, the disarming of the workers was the first commandment for the bourgeoisie, who were at the helm of the state." The armed workers were the embryo of a *new* army, the organized nucleus of a *new* social order. The first commandment of the bourgeoisie was to crush this nucleus and prevent it from growing. The first commandment of every victorious revolution, as Marx and Engels repeatedly emphasized, was to smash the old army, dissolve it, and replace it by a new one.

—Lenin, *The Proletarian Revolution and the Renegade Kautsky*

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PLAYING THE ODDS

By Roby Colodny

The greatest dictators have been hustled often.
It took all of Ancient Rome to eleventh-hour Spartacus,
the original Cincinnati Kid who never took a dive
even when the odds were running 50-1 against
and bookies in Egypt were lining up takers for his crucifixion.
He had a few hands to play, and in the end was burned badly,
as were several thousand other Cincinnati Kids
stripped of trump along the Appian Way.
History's low-rollers are poor losers, never gracious
in defeat. Every peasant war was a ticket stub waved
at a long-shot horse, a wager out in the open
with no shaved bets and a million futures riding on
every desperate gamble. The followers of Munzer,
Stenka Razin, Nat Turner. . . .
Laughing the crazy laugh of the wide-eyed heretic contemptuous
of the odds-makers. Every fat-cat idol
eventually paid the price. Napoleon thought he would
break the bank, but Spanish *campesinos* turned his pockets
inside out, and a stint in Russia sent him
to St. Helena's poor house for disadvantaged despots.
Hitler too believed he had a way with the dice,
but when the money was down they came up snake eyes
and his Third Reich House of Cards came tumbling down.
Most recently, Vietnam used guerrilla street sense
to beat the pants off Wall Street and win a thousand-year-old
wager for independence.
The spirit of Spartacus is popping up everywhere
like champagne bottles; the underdogs are on the move,
playing the odds to perfection. . . .

Roby Colodny is presently a dishwasher at the Harvard School of Public Health.

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CORRESPONDENCE

EVEN MOUNTAINS ARE MOVED: A RESPONSE TO MAGDOFF

By Al Szymanski

The analyses of the dynamics of capitalist imperialism laid out by Harry Magdoff ("How to Make a Molehill Out of a Mountain," MR, March 1977) and by myself are, as I pointed out in my original article (in the section entitled "What Amin, Baran, Frank, Magdoff, et al. Really Show" [*The Insurgent Sociologist*, Spring 1977]), essentially *the same.** That this is in fact the case is underlined by Magdoff's self-quotation in his rejoinder to me. He states: "Cutting off markets and sources of raw materials creates serious problems for capitalist enterprise but does not necessarily portend collapse. . . . In the final analysis, the fate of capitalism will be settled only by vigorous classes, and parties based on these classes, which have the will and ability to replace the existing system." (pp. 12-13) In other words (to quote the introductory paragraph of the above-cited section in my article), "Amin, Baran, and even Frank and Magdoff are forced in fact to reject the traditional argument that imperialism is a necessary condition for capital accumu-

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* I say "capitalist imperialism" to differentiate the expansionism/domination of other nations characteristic of capitalist social formations from the expansionism/domination of other nations characteristic of other types of social formations such as slave societies and feudalism, which of course were also imperialist.

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lation, and in its stead argue that imperialism is an organic outgrowth of capitalism which allows the transnational corporations to make greater profits than they otherwise would and which results in great economic stability and growth in the metropolitan countries." (p. 42)

The difference between Magdoff and myself is not in our analysis of the logic of imperialism, nor is it especially in our predictions about the future of capitalism (although I am somewhat more sanguine about the flexibility of capitalist adjustments in the short run); it is rather in our perceptions of the Leninist theory of imperialism (and thus of the analysis and predictions of the orthodox Leninist tradition, especially those who accept leadership from the Chinese).

Lenin was a great revolutionary and a great scientist for whom we must have the greatest respect. Nevertheless his writings must not have the status of holy scripture. Lenin can be, and sometimes is, wrong. Rather than admitting that a given idea of Lenin is wrong, many "Leninists" prefer to preserve intact the notion of Lenin's infallibility by either (1) distorting what Lenin said so as to make it compatible with the obvious present-day reality, or (2) blindly ignoring or grossly distorting present-day reality, so as to make it compatible with what Lenin clearly said. The greater political danger comes from taking the second of these tacks. The blindness to contemporary social facts means basing one's political strategies on scripture rather than on scientific investigations, and therefore necessarily suffering political failure. But while the distortion of Lenin to make his writings compatible with existing reality is less dangerous politically, it nevertheless does no justice to either the power and genius of Lenin's analysis or to our movement which must not be encouraged to trust in Lenin's infallibility. Magdoff tends to make the first (and lesser) of these errors.

Politically it is not all that important what Lenin really meant. What is important about Lenin's theories is not his actual intended meaning which might only be revealed through uncovering the most obscure or adolescent of passages, but rather what Lenin's theories *have been taken to mean* by the revolutionary movements that invoke his name. Theory is a guide to action. Applied theory is the stuff of revolutionary movements. It is primarily of academic interest to debate Lenin's true meaning. It is of the utmost practical and political significance to debate whether or not the theories of imperialism actually used by contemporary revolutionary movements are correct. It is in the latter framework that we must debate "Lenin's" theory of imperialism.

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Magdoff states that by taking the third paragraph of the fourth chapter of *Imperialism* ("The Export of Capital") as central to Lenin's analysis of the dynamics of imperialism, rather than as a kind of irrelevant footnote, I am making a molehill out of a mountain. Whether or not Lenin meant the early paragraphs of chapter 4 to be central or peripheral to his analysis is an interesting academic question. Far more important is the fact that the international Communist movement took chapter 4, especially the first three paragraphs, as central to the theory of imperialism which it came to use in the struggle against imperialism. It is thus of central *political* importance to determine whether or not their analysis is scientifically valid.

As an illustration of the acceptance of the first paragraphs of chapter 4 as central, see John Eaton's *Political Economy*:

> As capitalism developed, a greater amount and an ever greater proportion of surplus value tended to be accumulated. At the same time this same development tended to bring about a fall in the rate of profit . . . and so the fields for profitable new investment in the home country became more limited. Thus there was a hesitancy to invest at home that gave rise to an apparent superabundance of capital. "It goes without saying," writes Lenin, "that if capitalism could develop agriculture, which today lags far behind industry everywhere, if it could raise the standard of living of the masses, who are everywhere still poverty-stricken and underfed, in spite of the amazing abundance in technical knowledge, there could be no talk of superabundance of capital. . . . But if capitalism did these things it would not be capitalism; for uneven development and wretched conditions of the masses are fundamental and inevitable conditions and premises of this mode of production. (p. 195)

Significantly the new Communist movement (the Revolutionary Communist Party, the October League, etc.) adopts the traditional Leninist practice of taking the first paragraphs of chapter 4 as central. For example: in the RCP's *How Capitalism Has Been Restored in the Soviet Union* they argue (in the introductory paragraphs of the chapter on "Soviet Social Imperialism"):

> But as the social-imperialists search frantically for the most profitable investments, like all imperialists they eventually run into a brick wall. In Lenin's words, "The necessity for exporting capital arises from the fact that in a few countries capitalism has become 'overripe' and (owing to the backward state of agriculture and the impoverished state of the masses) capital cannot find a field for profitable investment. . . ." Like other imperialist powers

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before them, the Soviets in pursuing more capital export their capital and invest it abroad where the rate of profit is much higher.

Thus, whoever is right, Magdoff or I, about Lenin's intended meaning of the first paragraphs of chapter 4, it should be clear that the interpretation I give them is the traditional one in the Marxist-Leninist movement and thus that it is of far greater practical importance to examine empirically whether or not this analysis holds than it is to determine whether or not the hegemonic interpretation is in fact what Lenin really meant.

Although of only secondary importance politically, because most of Magdoff's rejoinder to me is directed at the question of what Lenin really meant, his contention on the intended meaning of chapter 4 will be taken up.

Lenin wrote *Imperialism: The Highest Stage of Capitalism* in order to explain the First World War as a struggle among advanced capitalist states, so that the socialist movement would have a scientific basis for relating to it. Unlike his early short comments about imperialism, such as those cited by Magdoff in support of his thesis that Chapter 4 is not central to Lenin's analysis of imperialism, *Imperialism: The Highest Stage of Capitalism* was written after an extensive and careful study of both the existing literature on imperialism and an examination of the statistical evidence (see volume 39 of Lenin's *Collected Works—Notebooks on Imperialism*). *Imperialism: The Highest Stage of Capitalism* has not only come to be (rightly or wrongly) the definitive work in the Marxist-Leninist revolutionary tradition on imperialism but it is far and away the most thorough and carefully prepared analysis written by Lenin on the phenomenon. It should also be pointed out that the two earlier works by Lenin which make passing reference to imperialism (*A Characterization of Economic Romanticism* and *The Development of Capitalism in Russia*) were published in 1897 and 1899 respectively by a still youthful Lenin, twenty years before his mature work on imperialism appeared.

As Magdoff points out, the primary concern of Lenin in the period before the creation of a Social Democratic Party in Russia was the struggle against the Narodniki, whose strategies were based on their analysis that capitalism would not develop in Russia, and thus that there would be a direct transition from autocratic feudalism to socialism, and that the working class should not be expected to play a leading revolutionary role. Both of the early works cited by Magdoff, and especially the massive and carefully researched *Development of Capitalism in Russia,* were dedicated to showing

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that capitalism was in fact becoming the predominant mode of production in Russia and thus that the working class was becoming the leading revolutionary force. Lenin's careful investigations and polemics of the 1890s were a necessary precondition for the creation of a Marxist party which would focus its efforts on the new emerging proletariat.

A key argument used by the Narodniki to prove that capitalism could not develop in Russia was their claim that the advanced capitalist countries had already closed off foreign *export markets,* that any developing capitalist country needed *export markets* in order to realize surplus value (using a Luxemburg-type argument), and thus that capitalism could not possibly develop in Russia.

Lenin very effectively disposes of the Narodnik argument about the need for export markets as follows: "The question is, do the capitalists supply foreigners with products gratis, or do they throw them into the sea? They sell them—hence, they receive an equivalent; they export certain kinds of products—hence they import other kinds." (*Collected Works,* volume 2, p. 162) In other words the positive effect of the export of goods in facilitating the realization of capital is canceled out by the negative effect of the import of goods. Since trade more or less equalizes among countries, the primary outlet for the realization of surplus value, taking the system as a whole, cannot be the *export of goods.* In both *A Characterization of Economic Romanticism* and *The Development of Capitalism in Russia,* Lenin argued against the Narodnik theory that the *export of goods* is a necessary condition for the accumulation of capital (at any stage, including a young and immature capitalism). He does not here address the question of whether or not the *export of capital* is a necessary condition for the process of capital accumulation in a mature or monopolized capitalist economy.

Whether or not Lenin ever changed his mind about the role of the export of goods in early capitalism (and the introductory sentence of chapter 4 suggests that he did) his argument in these youthful works is fully compatible with the argument in chapter 4 of *Imperialism* that under monopoly capitalism *capital export* is a necessary condition for profitable (i.e., *any*) capital accumulation:

> Typical of the old capitalism, when free competition had undivided sway, was the export of goods. Typical of the latest stage of capitalism, when monopolies rule, is the export of capital. . . . An enormous "surplus of capital" has arisen in the advanced countries.

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These statements in the first and second paragraphs of chapter 4 are immediately followed by the controversial and oft-quoted third paragraph which Magdoff alleges to be a molehill, but which in fact is absolutely central to Lenin's whole argument.*

The export of capital can, and according to Lenin does, serve as the principal means of allowing the accumulation process to continue, because, unlike the export of goods (which necessarily generates the import of other goods, thus neutralizing the effect of exports on the realization of surplus value), it does *not* necessarily produce a more or less equal and opposite force (i.e., an import of capital) which would neutralize its effect, since profits on overseas capital will tend to be reinvested *overseas,* where the profit rate is higher, rather than being repatriated.

That Lenin himself saw capital export as the leading edge of imperialism and believed the motive force behind capital export to be the inability of the masses to purchase the goods they produce (because of the contradictions of underconsumption) is shown by his great respect for the work of J. A. Hobson (*Imperialism: A Study*) which influenced his thought so greatly. Hobson's 1902 study is the *only* work favorably cited by Lenin in the preface to *Imperialism: The Highest Stage of Capitalism.* In the first paragraph of the preface Lenin says, "I made use of the principal English work on imperialism, the book by J. A. Hobson, with all

* The third paragraph reads: "It goes without saying that if capitalism could develop agriculture, which today frightfully lags behind industry everywhere, if it could raise the standard of living of the masses, who are everywhere still half-starved and poverty-stricken, in spite of the amazing technical progress, there could be no talk of a surplus of capital. This argument is very often advanced by the petty-bourgeois critics of capitalism [e.g., Hobson]. But if capitalism did these things it would not be capitalism, for both uneven development and a semi-starvation level of existence of the masses are fundamental and inevitable conditions and premises of this mode of production. As long as capitalism remains what it is, surplus capital will be utilized not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalists, but for the purpose of increasing profits by exporting capital abroad to the backward countries. In these backward countries profits are usually high, for capital is scarce, the price of land is relatively low, wages are low, raw materials are cheap. . . . The necessity for exporting capital arises from the fact that in a few countries capitalism has become 'overripe' and (owing to the backward state of agriculture and the poverty of the masses) capital cannot find a field for 'profitable' investment."

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the care that, in my opinion, that work deserves." (*Selected Works*, volume 1, p. 711) The interested reader should also refer to Lenin's notes on Hobson's book in volume 39 of the *Collected Works*. (pp. 405-436)

As is well known, the basic argument of Hobson is that monopoly capitalism causes endemic underconsumption which requires capital export in order to secure profitable investment outlets, which in turn require imperialism. Lenin essentially incorporated the basic structure of Hobson's 1902 argument in his 1916 work, differing from Hobson fundamentally only in his prognosis, i.e., Hobson thought that the breaking up of the monopolies and the raising of the living standards of the masses would eliminate the need for capital export and hence for imperialism, while Lenin in the third ("molehill") paragraph of chapter 4 argued that capitalism would cease to be capitalism if it were to do what Hobson believed possible—namely, raise the living standards of the masses. The notorious third paragraph thus assumes central importance as a critique of Hobson, clearly differentiating Lenin from those who saw a reformist solution to the interrelated problems of monopoly, underconsumption, and imperialism. Without the "molehill" paragraph, Lenin's argument would be compatible with Hobson's reformist conclusions, clearly something Lenin wanted to avoid.

Rather than recognizing Lenin's clear and explicit model of capital export and imperialism, Magdoff tends to turn Lenin into an eclectic with polemical (and contentless) phrases such as Lenin's thinking being "the opposite of mechanistic thinking," and the accusation that I look for a "simple, neatly packaged formula to explain an intricate set of contradictory relations." The implications of Magdoff's reading of *Imperialism* are to turn its clear and precise analysis of imperialism into a mush compatible with any facts about the horrors of imperialism, which is thus totally useless in *predicting* the behavior of the imperialist system, and consequently totally useless in formulating political strategy. The Leninist theory of imperialism for Magdoff thus tends to become something to footnote after the fact to gain legitimacy, not a scientific theory that makes correct (or incorrect) predictions, and which consequently grows with the accumulation of experience.

As Mao Tse-tung pointed out so well in his *On Practice*, in developing Lenin's point about theory not being a dogma but rather a guide to action, failure is the mother of success. Leninist theory that is precise and scientific, and therefore capable of being shown to be inadequate, is far more useful to revolutionaries than

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a diffuse infallible dogma which is of use only for browbeating opponents. The Leninist theory of imperialism must develop scientifically on the basis of practice. For this to happen we must reject the infallibility of Lenin, respect the precision of his analysis, aim for even greater concreteness, and have no inhibition about examining the best available scientific evidence concerning the phenomena of imperialism, regardless of whether or not it supports our preconceptions. Revolution is serious business, too serious to be guided by preconceptions instead of science.

There is one other point dealt with in Magdoff's critique that I would like to treat briefly, namely, Magdoff's suggestion that the United States is more dependent on the Third World's raw materials than my data show. An important article appeared in the November 1976 issue of *Fortune* magazine—"Third World 'Commodity Power' is a Costly Illusion," by Sanford Rose. This carefully researched article shows that the U.S. economy need be considerably less dependent on raw-material imports from the Third World than even my data suggest. Of the 40 basic minerals discussed in my original paper I showed that the United States imported more than 25 percent of its present consumption from the Third World in the case of only eight: antimony, bauxite, chromium, cobalt, columbium, manganese, petroleum, and tin. The Rose article brings together evidence to show that the United States for the most part imports these minerals merely because it is cheaper (and more profitable) to do so, not because they are not otherwise obtainable, i.e., that there is no necessary reason why the United States must politically and militarily dominate these regions to secure its fundamental industrial inputs.

For example, cobalt is readily available domestically (as well as in offshore manganese nodules) but only in deposits that would presently be more costly than importing. Nickel and tungsten, readily available outside the Third World, also serve as well as cobalt for many alloying purposes. The effect of these two facts means that a 10 percent price rise in Third World supplies of cobalt would result in a 17 percent reduction in Third World sales over a three- to five-year period, and thus that action of Third World countries to increase significantly the price of cobalt would backfire.

Unlike cobalt, there are no feasible substitutes for manganese in alloying and desulfurizing in the production of high-grade steel (except materials that are far costlier and not nearly as desirable). However, Australia and the ocean bottom (as well as the Soviet

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Union and China) have large manganese reserves. Further, there are immense low-grade manganese deposits in Arizona, Arkansas, Maine, and Minnesota, which, if the world price rose high enough or if external supplies were cut off, could be utilized.

Ferronickel, the cheapest and most readily available alloy outside of the Third World, a satisfactory substitute for chromium in the production of stainless steel, costs 3.5 to 4.0 times as much. If Third World supplies of chromium were to be cut off, or if the price of chromium were to rise more than 3.5 to 4.0 times, ferronickel would be substituted for Third World imports.

There are immense bauxite reserves in the United States. Domestic reserves of aluminum-bearing clays are adequate for 10,000 years at current rates of consumption. An increase of 60 percent in the world price would make domestic production profitable.

And of course, as has been widely publicized, if the cost of petroleum rises high enough (or if Third World supplies were to be cut off), it would become commercially feasible to convert the immense U.S. deposits of oil shale and coal into petroleum products, as well as increasingly to convert to the direct use of coal and other forms of energy.

In sum, the arguments that U.S. imperialism is *necessary* in order to secure raw materials has no more substance than the argument that U.S. imperialism is necessary in order to allow the capital accumulation process to continue. Imperialism is most definitely an organic outgrowth of the capitalist system, but the primary dynamic of that imperialism is *profit*. Imperialism is thus *neither* a policy *nor* a necessary condition for the continuation of capitalism in the United States. If the contradictions of capitalism continue to produce effective national liberation movements and revolutionary regimes in Third World countries which refuse to allow their countries any longer to be plundered by imperialism, capitalism may well be able to make the necessary adjustments to survive, at least in the short run, although, as Magdoff points out so well, not without aggravating other domestic contradictions, contradictions which will eventually lead to the revolutionary overthrow of capitalism in the advanced countries by their own working classes.

The importance of analyses such as mine which (successfully or not) attempt to mobilize the best available statistics to test out various theories of imperialism is to enable us to understand better the motion of monopoly capitalist society, including its imperial manifestations, so that we may predict how the ruling classes will

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behave and hence develop the best possible strategies to deal with them. If in fact capitalism has more room to maneuver than Lenin thought, we cannot afford to remain blind to such a fact. If capital accumulation or the securing of raw materials were absolutely necessary for the survival of capitalism, it would follow that national liberation movements cannot, for the most part, succeed without revolution in the United States. If on the other hand capital accumulation and the securing of raw materials are possible without imperialism, this means that successful national liberation struggles need not necessarily provoke revolution in the advanced countries. Whichever analysis is correct, immense strategic implications for revolutionaries all over the world follow.

HARRY MAGDOFF REPLIES

Al Szymanski urges that Lenin's writings not have "the status of holy scripture." Granted, with a single proviso: one should properly digest and understand these writings before setting out on the critical-examination route. What is in dispute here is not the adequacy of Lenin's theory but the way Szymanski reads it. In his original article Szymanski condensed Lenin's complex and vital theory of imperialism into a narrow and rigid formula based on the supposed absolute necessity of commodity and capital exports. It appears from his latest contribution that he has retreated from his earlier position, at least with respect to commodity exports. Szymanski wrote originally:

> In the models of Hobson, Lenin, and Luxemburg the motive force for the export of goods was the inability to realize surplus value in the metropolitan countries and hence the necessity to attempt to realize it overseas where there was available purchasing power. . . . ("Capital Accumulation on a World Scale and the Necessity of Imperialism," *The Insurgent Sociologist,* Spring 1977, p. 41)

Now he shifts to a completely opposite interpretation of Lenin's position:

> In other words the positive effect of the export of goods in facilitating the realization of capital is canceled out by the negative effect of the import of goods. Since trade more or less equalizes among countries, the primary outlet for the realization of sur-

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plus value, taking the system as a whole, cannot be the *export of goods.* (above, p. 52)

This about-face is a proper correction, for which Szymanski is to be complimented.*

What remains in dispute then are Szymanski's adumbrations on the capital-export theme. He now explains that "the export of capital can, and according to Lenin does, serve as the principal means allowing the accumulation process to continue," because, in contrast to the export of goods, capital export "does *not* necessarily produce a more or less equal and opposite force . . . which would neutralize its effect, since profits on overseas capital will tend to be reinvested *overseas* . . . rather than being repatriated." (above, p. 53) This statement is just flat wrong, with respect both to the facts and to Lenin's theory. A significant portion of foreign earnings are indeed repatriated. This return flow of profits not only exercises an "opposite force," but is typically far in excess of the outflow of capital. What Lenin's inner thoughts on this question may have been is a matter of idle speculation. To my knowledge, he wrote not a word about the export of capital being either larger or smaller than homeward-bound profits, nor did he discuss the reinvestment of foreign-made profits. He did, however, have much to say about repatriated profits when he stressed that they created parasitic, *rentier* countries and provided the economic possibility of corrupting an upper stratum of the proletariat.

Szymanski continues to insist that, according to Lenin, "under monopoly capitalism *capital export* is a necessary condition for profitable (i.e., *any*) capital accumulation." (above, p. 52) It cannot be emphasized too strongly that this is merely an inference that arises from Szymanski's private way of thinking. When Lenin pinpoints surplus capital as a major factor leading to capital ex-

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* Despite Szymanski's revised view on this subject, however, he still cannot shake himself entirely free of his former version. Thus he states: "Whether or not Lenin ever changed his mind about the role of the export of goods in early capitalism (and the introductory sentence of chapter 4 [of *Imperialism*] suggests he did. . . .") (above, p. 52) Now all that the first *two* sentences of the chapter say is: "Under the old capitalism, when free competition prevailed, the export of *goods* was the most typical feature. Under modern capitalism, when monopolies prevail, the export of *capital* has become the typical feature." It should be obvious that Lenin was only contrasting important features of two stages of capitalism. Calling export of goods a typical feature clearly has absolutely nothing to do with whether the export of goods is or is not necessary for the realization of surplus value.

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port, he does not assert (and need not imply) that there would otherwise be no capital accumulation.* Perhaps a hypothetical illustration will be useful here. Let us assume that $100 million of realized surplus value is available for investment, and that capitalists have decided that only $90 million can be invested in satisfactorily profitable domestic accumulation. There would then be $10 million of "superabundant capital." If profitable foreign outlets are found for the $10 million there would be at one and the same time domestic accumulation, capital surplus, and export of capital. Thus, even if one believes that capital surplus is the driving force behind capital export, it does not necessarily follow that there is at the same time no domestic accumulation. Indeed, Lenin goes a step further when he calls attention to the possibility that foreign loans and investment may even tend to *restrain* domestic accumulation.** Both the real world of capitalism and Lenin's analysis of it, are much more complex than Szymanski's mechanical formula-constructs.

The most startlingly imaginative leap of all is Szymanski's conclusion that because Lenin respected and used Hobson's seminal work on imperialism, he also adopted the latter's simple-minded underconsumption theory and believed "the motive force behind capital export to be the inability of the masses to purchase the goods they produce." (above, p. 53) Szymanski is apparently unaware of the contradiction between this and his capital-surplus interpretation of Lenin's theory. If the goods produced cannot be sold, capitalists cannot realize their surplus value and there is therefore no surplus capital. Confusion of this sort is entirely absent from Lenin's writing. As a matter of fact, Lenin categorically rejected such a simplistic underconsumption theory in his polemics against the Narodniki. Interested readers will find a useful clarification of Lenin's attitude toward underconsumption theory in Paul Sweezy's *Theory of Capitalist Development* (pp. 184-186).

I am happy to be able to agree with Szymanski on one point.

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* It should be noted that together with the push of surplus capital Lenin pointed to the pull of higher profit potentials abroad. He also introduced other factors involved in the export of capital: the stimulation of commodity exports; the outward movement of banks as part of finance capital spreading its "net over all countries of the world"; and the "figurative" division of the world among the capital-exporting countries (see Lenin, *Imperialism*, chapter 4).

** In the same chapter 4 that is under dispute Lenin states that the "export of capital may tend to a certain extent to arrest development in the capital-exporting countries." (*Collected Works*, vol. 22, p. 243)

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His reduction of Lenin's imperialism theory to a surplus capital/capital export thesis does indeed resemble a common practice in communist circles (among bourgeois commentators too, for that matter). If his intention was to dissect this misconception and the exaggerated forms it takes, fine. But why help in the process to perpetuate a caricature of Lenin's multi-dimensional theory?

There seems to be little point in continuing the dispute over the supply of raw materials, since what is involved here is our understanding of the behavior of capitalist imperialism and not statistics. It may be worthwhile, however, to note in passing that the *Fortune* article Szymanski relies on for his information is primarily a piece of bourgeois propaganda aimed at demonstrating the futility of attempts by Third World countries to protect themselves by way of cartels and commodity agreements. Szymanski seems to be relieved that perhaps getting raw materials from the Third World may not be so much a matter of "absolute necessity" as one of profitability, overlooking the fact that for capitalism it is precisely the maximization of profits that is the "absolute necessity."

Szymanski's concluding remarks, quite frankly, have me stumped. Can he really believe that his thoughts about capital accumulation and raw materials have a bearing on world revolutionary strategy? At best, this sort of "theorizing" reflects a yearning for a degree of precision, rigidity in definition, and detailed predictability that is unattainable owing to the very nature of continuously developing and changing social phenomena. Above all, social revolutions, which depend not only on objective conditions but also on the will and ability of rebelling social classes and their leaders, cannot be fitted into neat formulas.

If it was true that Lenin believed accumulation in the imperialist centers was impossible without capital export, and that therefore an independent socialist revolution could not succeed in a backward country, why was he so foolish as to devote his life to starting such a revolution? (The Bolshevik reliance on more or less simultaneous revolutions in other countries had nothing to do with accumulation in the metropoles, but with an anticipated need for Western technology and machinery.) Szymanski, in my opinion, enters the realm of fantasy when—after the revolutions in Russia, China, Vietnam, Cuba, Mozambique, Angola, and Guinea-Bissau—he claims that his "analysis" has a bearing on the possibility of successful national-liberation (and presumably socialist) revolutions. We who live in the heart of the imperialist monster have more important things to do than indulge in such meaningless speculation, while arrogantly assuming the right and ability to

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advise Third World countries on their revolutionary strategies. Whether Szymanski is right or not, our job is the same: to educate our own people about the nature of capitalist imperialism and the need to organize and struggle for the overthrow of U.S. capitalism, and to support energetically *all* national liberation struggles against imperialism.

SHOULD MONTHLY REVIEW BROADEN ITS SCOPE?

Dear Editors:

This letter aims to set forth some ideas I have had for a long time on the problem of broadening and expanding MR's audience by adding good non-economic articles. The actual trigger was an experience I had the other day, which I pass along now so as to give you a better idea of what I am talking about.

Recently I had dinner with some friends who are essentially liberal, but at least open to a more radical viewpoint. I had just seen two movies which had made a big impression on me: "The Battle of Chile," which is a classic political documentary, and "Iphigenia," the Greek tragedy by Euripides, which is one of the best movies I have ever seen. So, at dinner I gave a rap about the parallels that I saw between the two movies, in the sense that the Chilean situation had so many elements of a Greek tragedy—e.g., the CIA, in its secret backing of the truckers' strike and other financing of the opposition was analogous to the gods in a Greek tragedy who pull the strings behind the scenes. Also, I talked about how I had been struck by the fact that the essentially negative review of "The Battle of Chile" in the *New York Times* by Vincent Canby was a perfect example of an "unselfconscious" bourgeois film review. Canby didn't like the picture because it didn't make Allende enough of a hero (thus the title of the review was "The Last Days of Allende," while the title of the film was "The Battle of Chile"), and there were too many "mob" scenes (and presumably not enough introspective analysis).

The interesting thing was that the people at dinner, who are fairly knowledgeable about films, were impressed with the political

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points I made, and asked why didn't I write them up as an article. Well, I don't have the time and it's not my field; but in thinking about it, it seemed to me that this is the kind of thing that MR might try to encourage. That is, cultural material which links economics and politics with the area of culture (rather than "culture" for its own sake). If MR is going to reach a broader audience on the left now and in the future (and an American audience), I think it would be worth taking a stab at this area, if only because today film and TV, even more than books, are the media of most people.

I don't want to run on about the obvious, but I will add just one more personal point. It disturbs me, for example, that several close friends who are independent socialists and generally in agreement with MR's approach, rarely read the magazine; moreover they have indicated that if there were a better balance in the magazine and more not-so-"heavy" economic articles, they would be more inclined to read it. One of these friends has done a lot of thinking and writing about the interrelationships of psychology and feminism, and women and socialism, and I would like to think of MR as a place to which she would submit an article on these important topics. I think there is a big audience out there for that type of material, if it's good. I realize what a very big problem it is; good material is hard to come by, and MR doesn't always get it. But on the other hand, as you know, this is a vicious circle because MR is not known as a place where such material normally appears.

Finally, knowing me, you will, I trust, take this letter not as a criticism but as some constructive suggestions from a friend who cares very much about the future of MR. Also, I'm aware you have thought of this whole area in the past. Maybe it's a road that you tried to go down and failed, owing to factors outside your control, but I thought it might be useful to raise the question again. You all know how highly I think of MR, and how much I have learned from it over the years, and I continue to do so. I hope this letter may help to generate some responses and ideas that will make it even better in the future.

April 1978
New York City

Michael Tanzer

We would welcome the reaction of other readers to this letter.—THE EDITORS

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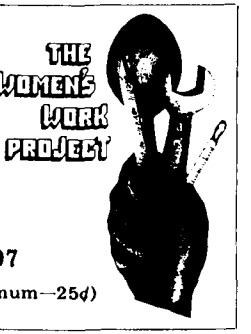

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(*Continued from inside front cover*)

Jim Petras, our good friend and MR Press author (*The United States and Chile: Imperialism and the Overthrow of the Allende Government*, with Morris Morley) has sent out an appeal letter on behalf of a million or more Eritrean refugees made homeless and suffering from severe want as a result of the 16-year-old Eritrean struggle for national liberation from Ethiopian colonial rule. "'Your tax-deductible contribution," he writes, "will be recorded in the hearts of this struggling, heroic people fighting one of the longest and most arduous armed national liberation struggles in our epoch." We wholeheartedly endorse this humanitarian appeal. Contributions should be sent to Eritrean Relief Committee, Inc., P.O. Box 1180, Grand Central Station, New York, N.Y. 10017.

"Thailand: Dictatorship and Development" is the title of a remarkably well researched and lucid analysis of the post-Second World War history of that country by Conrad Taylor, a young British writer. The publication in which it appears is *Links*, which carries the subtitle "for action against poverty and underdevelopment," and is published by Third World First, which in turn describes itself as "a national movement of student groups serviced by an independent charity, the Third World First Educational Trust." The Thailand article is in a special double issue of *Links*, No. 5 (undated), priced at 35 pence per copy. The subscription rate (for 5 issues) is £1.40, and the address is 232 Cowley Road, Oxford OX4 1 UH, England.

Correction: In Theodore Allen's review entitled "Slavery, Racism, and Democracy" (MR, March 1978) the following sentence occurs on p. 62: "Today, too, the writings of a host of historians who insist on 'natural' or *a priori* racism as essential to explaining racial slavery . . . reflect efforts such as Morgan's to explain racism in terms of the conflict of classes." "Reflect" in this sentence should read "reject."

We have been asked to announce that the Sixth Annual Western Socialist Social Science Conference will be held in California over the Memorial Day weekend. The theme will be "Culture, New Social Movements, and Marxism." Anyone wishing to register or propose workshops should write to the Union of Marxist Social Scientists, Box 5358, Berkeley, Calif. 94705.

We acknowledge with gratitude receipt of a generous donation to MR Associates in honor of the late Charles Small who, as reported in this space in the March issue, died in Mexico in February. His wife Berthe and their children suggested in a letter to their many friends that an appropriate way to honor his memory would be to contribute to one or more of the many radical causes Charles so generously supported during his lifetime. MR was listed among numerous others as a candidate for such contributions. We shall do our best to live up to the high standards Charles always set himself and expected from fellow workers for a better world.

Harry Sheer, a long-time MR subscriber who recently retired as a caretaker at California State College, Hayward, asks us to announce the formation of a new oral history group—the first of its kind on the West Coast dedicated to preserving the priceless heritage of radical workers. It expects to receive a grant to meet its costs, but until that is forthcoming it is appealing for donations. The address is Radical Elders History Project, c/o The Ark Bookshop, 1703 University Avenue, Berkeley, Calif. 94703.

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